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October 26, 2021

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd  
Chief Clerk & Executive Director  
Public Service Commission of SC  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Re: Dominion Energy South Carolina, Incorporated's Request for "Like Facility"  
Determinations Pursuant to S.C. Code Ann. § 58-33-110(1) and Waiver of Certain  
Requirements of Commission Order No. 2007-626  
Docket 2021-93-E

Dear Ms. Boyd:

Dominion Energy South Carolina, Inc. ("DESC") files this letter to respond to the specific proposals made by the South Carolina Office of Regulatory Staff ("ORS") in its letter filed in this docket on October 22, 2021. ORS filed this letter in response to the Joint Motion to Modify Procedural Schedule ("Joint Motion") filed on October 12, 2021, by the Sierra Club, South Carolina Coastal Conservation League, the Southern Alliance for Clean Energy, and the Carolinas Clean Energy Business Association ("Joint Movants").

In its letter, ORS indicated that it did not oppose legal briefing and argument in this matter as requested by Joint Movants. (Nor does DESC so long as doing so does not delay the hearing and resolution of this matter.) But ORS recognized that the direct testimony of Andrew Walker which was prefiled on October 18, 2021, included assertions that "delaying the procedural schedule as requested in the Joint Motion may implicate significant system reliability concerns." For that reason, ORS "request[ed] that the Commission maintain the current procedural schedule in this docket" at least for the time being, and "recommend[ed] that DESC provide the Commission with an allowable ex parte briefing as soon as possible consistent with [the] requirements of S.C. Code Ann. § 58-3-260 so that the Commission and all parties can hear the Company's concerns."

Mr. Walker's direct pre-filed testimony does indeed explain the significant reliability concerns related to further delay in replacing the units. Mr. Walker's testimony establishes:

- a) The critical role that combustion turbines ("CTs") play in providing DESC the ability to reliably and efficiently operate its electric system, especially considering the amount of solar capacity on it.
- b) The serious reliability and maintenance risks associated with continuing to rely on the ten (10) end-of-life CTs and associated assets whose replacement is being delayed due to the timing of this docket. The CTs to be replaced are on average more than 50 years old and difficult and problematic to repair. Although they supply approximately two-thirds of DESC's CT resources, due to their age and condition they cannot be operated as often or as intensively as current conditions on the grid would otherwise require.
- c) The additional delays in this docket Intervenor's propose risk the loss of vendor agreements and schedule commitments that, in current markets, are likely to be very difficult to replace.

As to the latter point, Mr. Walker testifies that:

*The Replacement Units are long lead-time items. If the current bids are allowed to lapse, global supply chain issues, inflationary pressures, and disruptions throughout the manufacturing and energy economy could delay the project and increase costs. Specifically, losing the current schedule commitments could put the project at the back of the manufacturing queue and could result in price increases and potentially lengthy schedule delays. Other utilities, both in the United States and internationally, are constructing similar aeroderivative [CT] units in response to the growth of intermittent renewable energy sources. Relinquishing its negotiated position in the turbine-generator equipment manufacturing queue would have a significant delay impact to the proposed schedule.*

Prefiled Direct Testimony of Andrew R. Walker, p.14.

DESC's request in this docket is very limited in nature, *i.e.*, a recognition that these replacement units are like-facility gas-for-gas replacements of existing capacity and not new generation resources intended to meet new system loads. See DESC's Response to the Joint Motion, filed October 12, 2021. Given the danger in delay, and the clear and overriding interests of its customers, DESC's primary request is that the Commission set a hearing on the merits of this matter as soon as possible and proceed to resolution of this matter quickly thereafter.

Through Mr. Walker's prefiled direct testimony, which was filed in verified form, DESC has sought to provide the Commission with a thorough understanding of the reliability issues surrounding this project. That testimony explains in detail the requests before the Commission

(Walker Prefiled Direct at pp. 3-15); the role CTs play on DESC's system (*id.* at pp. 16-26); the operational, maintenance and reliability risks posed by the operationally obsolete status of the current CTs (*id.* at pp. 26-28); the immediate and long-term benefits to customers from replacing them with reliable, modern and fuel-efficient units (*id.* at pp. 28-33); and the specific unit-by-unit replacement plan (*id.* at pp. 33-43). Given the thoroughness of Mr. Walker's prefiled direct testimony, it is unclear what additional information would be necessary or helpful to explain the Company's reliability concerns.

DESC believes that it has provided the Commission with a sufficient description of the critical reliability issues surrounding its request to support the Commission's consideration of the Joint Motion. If the Commission agrees, then, DESC requests the Commission deny the Joint Motion, retain the current procedural schedule and schedule a hearing in this matter as soon as possible after December 1, 2021. The Commission should do so for the reasons stated in Mr. Walker's prefiled direct testimony and in DESC's Response to the Joint Motion.

However, if after having reviewed Mr. Walker's verified Prefiled Direct Testimony, the Commission believes that an allowable ex parte communication briefing under S.C. Code Ann. § 58-3-260 would be helpful, DESC requests that the Commission schedule such a briefing for November 11, 2021 at 2:00 pm. Please take this letter as a formal request under S.C. Code Ann. § 58-3-260 for such a briefing to be scheduled upon the Commission's determination that such a briefing is necessary or helpful at this time.

If the Commission does wish to receive an allowable ex parte communication briefing, then DESC would request the scope of the briefing as set forth in the notice be limited to the reliability issues highlighted by ORS. There is a practical reason for this request. S.C. Code Ann. § 58-3-260 provides that "each party, person, commissioner, and commission employee present [at a briefing must] file a written, certified statement with the Executive Director of the Office of Regulatory Staff within forty-eight hours of the briefing accurately summarizing the discussions in full and ***attaching copies of any written materials utilized, referenced, or distributed.***" (emphasis supplied). Certain documents related to non-reliability matters, including bid documents, contain confidential, proprietary and otherwise privileged information. It would not be practical to review, redact and prepare public versions of such documents, and then secure permission from bidders to disclose them, within the 48-hour time period allowed by the statute. For that reason, and because the Requests for Proposals do not bear directly on the reliability concerns that ORS has highlighted, DESC will provide the Commission with a draft notice limiting the notice of the allowable ex parte communication briefing to reliability issues only. DESC will, however, be prepared to discuss matters outside of those limits at the merits hearing.

But it is of paramount importance that the Commission set a date for the merits hearing in this matter as soon as possible. Further delay could severely hinder DESC's ability to efficiently and reliably operate its electric system now and in future years while increasing cost to customers. Proceeding to hearing without delay is in the best interests of DESC's customers and the electric system as a whole.

Page 4

Respectfully submitted,

Womble Bond Dickinson (US) LLP

A handwritten signature in blue ink, appearing to read "Belton T. Zeigler". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

**Belton T. Zeigler**

cc: All parties of record (via email)